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## Testimony Before the Appropriations Committee

### Members of the Appropriations Committee:

I am Randi Faith Mezzy, an attorney with Connecticut Legal Services, one of four legal aid organizations working to enforce the rights of Connecticut's poor people.

I want to address the subtle and seemingly innocuous change in wording that the Governor has proposed around the long-standing definitions of "medically appropriate services" and "medically necessary services."

Here is the spin that has been put on this proposal, which will do nothing less than cut out the heart and soul of our state's Medicaid program:

### Update MN and Appropriateness Definition under Medicaid

Under this proposal DSS will replace the current outdated medical necessity definition under Medicaid with the definition that has been in effect for the State Administered General Assistance medical program since January 2005. The revised medical necessity definition combines the concepts of medical necessity and appropriateness as is done in Medicare and under most public sector and commercial health care programs. The proposed definition incorporates the principle of providing services which are "reasonable and necessary" or "appropriate" in light of clinical standards of practice.

This so-called "modernization" of the MN definition is simply a way for DSS and its subcontractors to issue MORE DENIALS OF ESSENTIAL MEDICAL SERVICES. There will be no benefit whatsoever to Connecticut's Medicaid recipients. In the long run, there is no benefit to Connecticut's taxpayers either, if necessary preventive and treatment services are denied. You know that, eventually, we all end up paying for those untreated health conditions, after they have worsened and become critical.

I know that over the years, many members of this committee have heard Medicaid horror stories about kids being denied needed medications or being kicked out of the hospital before they were really well. I know that no one here wants to be a party to allowing that to happen.



What I want to emphasize, though, in these tough times, is that while DSS projects "savings" as a result of changing this definition, that is not quite accurate. The HMOs are once again running Medicaid for children and families in Connecticut, and most of the savings will benefit them. When they deny needed treatment by using a new definition of medical necessity, they - not DSS, not the taxpayers -- get to keep more money. They have an incentive to deny care anyway, which has been built into the Medicaid Managed Care program from its inception back in the 90s, and this change simply gives them a bigger, wider, more profit-driven "DENIED" stamp.

It's important to remember that Medicaid Managed Care was supposed to save US, the taxpayers, money. The plan was for Connecticut to sign a contract for a fixed amount of money for the HMOs to administer Medicaid, and then we would have a fixed budget line item with no surprises. What has happened in reality is that the HMOs come back to the till every year with their hands out, asking for more money to run Medicaid, because - guess what - it costs a lot to run it! Last year, HMOs were given a 24% rate increase! This year, despite the fact that most of us are taking pay cuts, the HMOs got another increase.

The Governor's proposal serves to give the HMOs yet a third income increase, disguised as a change in the definition of "Medical Necessity." The line item **should** read "Change the definition of "medical necessity" to allow HMOs to fatten their profits by denying kids their needed treatment." That is what the Governor's proposal will do. It will not save taxpayers money.

Even for the disabled and elderly people in Medicaid fee-for-service, which DSS still runs, the savings are a mirage. Sick people, particularly frail ones, do not just go away; they get sicker. So denying treatment when a problem is somewhat small and treatable is a false economy. Later, when that untreated person ends up in the hospital for 3 weeks with pneumonia because their antibiotic was denied, it will cost the taxpayers far more.

We're in an era now where our new leaders encourage us to care about one another and help the least of us become the best of us. The old days of treating poor people like an alien species is, I hope, gone for good. Now we **know** how close we are to needing Medicaid ourselves: the recent flurry of pink slips, along with unaffordable health insurance, means your neighbors, your relatives, your children's schoolmates - or even YOU - may be a Medicaid recipient now.

Real people with real illnesses who need real treatment are looking to you to preserve a fair, workable definition of Medical Necessity that has been in place for years. Don't be fooled by artificially labeled "savings" that are really profit enhancements for private corporations.